

**- Public Hearing to Transfer Surface Rights for the Shymanivske Project From the City of Kryvyi Rih Completed**

**- Iron Ore Prices Trending Up and Currently ~\$80/T Off a Low of Us\$38/T One Year Ago**

TORONTO, ONTARIO--(Marketwired - Jan 23, 2017) - [Black Iron Inc.](#) ("Black Iron" or the "Company") (TSX:BKI)(FRANKFURT:BIN) is pleased to announce that, as required by local law, a public hearing to obtain feedback on the city of Kryvyi Rih's plans to include the surface rights for the area upon which Black Iron's Shymanivske project resides (the "Shymanivske Land") in the city's territorial plan (an official city map which indicates how land in the city of Kryvyi Rih will be used) was recently completed. Pursuant to Ukrainian law, a special committee of the Kryvyi Rih city council, has also been created to review, with Black Iron's management, feedback from this public hearing along with any written submissions prior to making a recommendation to the Kryvyi Rih city council on whether to include a potential lease to the Company of the Shymanivske Land in the city of Kryvyi Rih's 2017 territorial plan. Based on the positive feedback received to date, Black Iron management is hopeful of a positive decision from the Kryvyi Rih city council before the end of Q1 2017. Upon receiving a positive decision, Black Iron management will then be able to develop a detailed land allotment plan for the Shymanivske project as required by the city of Kryvyi Rih prior to signing a lease agreement with the city of Kryvyi Rih.

Progress has also been made with Ukraine's Ministry of Defense to lease land required for the waste rock, tailings and processing plant at the Shymanivske project. Several meetings have been held with the Ministry of Defense to discuss alternative options on parcels of land that could be made available to Black Iron. Although the Ministry of Defense is supportive of leasing land to Black Iron, the timing of any such lease remains of concern to them given this land is currently used as a training ground in support of the conflict in the Eastern part of the country. The cease fire in Eastern Ukraine brokered last year is largely holding and there has not been further movement of the front line for several months. It is important to note that the Shymanivske project is located over 400km away from the area of conflict and several surrounding iron ore mines owned by ArcelorMittal and Metinvest/Evraz continue to operate in the ordinary course.

Iron ore prices have trended up over the past year as seen in the chart below and are currently around US\$80/T (compared to a low of US\$39/T approximately one year ago). Black Iron's feasibility study (please see Black Iron's technical report dated January 24, 2014 titled "Feasibility Study of the Shymanivske Iron Ore Deposit for [Black Iron Inc.](#)" under the Company's profile on SEDAR, the "Technical Report") was based on a long term iron ore price of US\$95/T projecting an operating cost of US\$45/T, estimated capital costs of US\$1.1 billion and an assumed exchange rate of 8UAH: US\$1 to provide an after tax IRR of 39.1% and NPV of US\$2.6 billion (using an 8% discount rate). Based on the current exchange rate of approximately 28UAH: US\$1, and assuming all other factors set out in the Technical Report remain the same, Black Iron expects that its operating costs and capital costs would be significantly lower, resulting in higher economic returns for the Shymanivske project than originally expected.

To view the chart, please click on the following link : <http://media3.marketwire.com/docs/BlackIronChart.pdf>

#### About Black Iron

Black Iron is an iron ore exploration and development company, advancing its 100% owned Shymanivske project located in Kryvyi Rih, Ukraine. This project contains a NI 43-101 compliant resource estimated to be 645.8 Mt Measured and Indicated mineral resources, consisting of 355.1 Mt Measured mineral resources grading 32.0% total iron and 19.5% magnetic iron, and Indicated mineral resources of 290.7 Mt grading 31.1% total iron and 17.9% magnetic iron, using a cut-off grade of 10% magnetic iron. Additionally, the Shymanivske project contains 188.3 Mt of Inferred mineral resources grading 30.1% total iron and 18.4% magnetic iron. Full mineral resource details can be found in the National Instrument 43-101 compliant technical report dated January 24, 2014 titled "Feasibility Study of the Shymanivske Iron Ore Deposit for [Black Iron Inc.](#)" under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Shymanivske project is surrounded by five other operating mines, including ArcelorMittal's iron ore complex. The Company believes that existing infrastructure, including access to power, rail and port facilities, will allow for a quick development timeline to production. Please visit the Company's website at [www.blackiron.com](http://www.blackiron.com) for more information.

The technical and scientific contents of this press release have been prepared under the supervision of and have been reviewed and approved by Matt Simpson, P.Eng, President and CEO of Black Iron, who is a Qualified Person as defined by NI 43-101.

#### Forward-Looking Information

*This press release contains forward-looking information. Forward-looking information is based on what management believes to be reasonable assumptions, opinions and estimates of the date such statements are made based on information available to them at that time, including those factors discussed in the section entitled "Risk Factors" in the Company's annual information form for the year ended December 31, 2015 or as may be identified in the Company's public disclosure from time to time, as filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Forward-looking information may include, but is not limited to, statements with respect to the Shymanivske project, the Company's ability to obtain the requisite land rights for the Shymanivske project, the war in Eastern Ukraine, the prices of Iron and currency exchange rates, and future plans for the Company's development. Generally, forward looking information can be identified by the use of forward-looking terminology*

such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: general business, economic, competitive, geopolitical and social uncertainties; the actual results of current exploration activities; other risks of the mining industry and the risks described in the annual information form of the Company. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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